

# FY22 PRELIMINARY BUDGET



# 2020 IN REVIEW

- COVID-19
  - Continued Delivery of Service (board/committee meetings, building permits, building projects, police, fire, DPW, town staff)
  - Maximized Free Cash in FY20 through hiring and spending freezes
  - Conservative budgeting - Revenue and Expenses
- Awards in State and Federal Grants
  - \$2.1M Federal Cares Act Reimbursement
  - \$700,000 FEMA (Submitted) Reimbursement
  - \$450,000 State Grants and Awards
- Retained AAA Bond Rating with S&P and Moody's

# 2020 IN REVIEW

- Financial Task Force I Recommendations
  - Capital Projects – High School Building Project; DPW/Police Building Project
  - Pleasant Street Rezoning
    - Recreation Marijuana Facilities will bring in Recurring Revenue
  - Health Plan Design Cost Savings
  - McLean Development approved at Town Meeting will bring in Recurring Revenue
- Select Board Committees
  - Financial Task Force II
  - Long Term Capital Committee
  - Structural Change Committee

# BUDGET PRIORITIES

- Education
- Maintain Town Services
- Capital Infrastructure

# DEVELOPING FY22 BUDGET

- Financial Task Force II Minimum Level Service Budget
- September 2020, Kick Off With Department Heads
- October-November 2020, Department Meetings with Select Board and Town Administrator with Warrant Committee Members
- November 23, 2020, Joint Preliminary Budget Presentation

# DEVELOPING FY22 BUDGET

## Assumptions

- Minimal Level Service Budget
- No Reductions in Services
- Health Insurance, 6.5% increase
- Reinstate Town Departments Outlay & Overtime - Deferred in FY21
- Reinstate Discretionary Capital and Roads - Deferred in FY21
- Town Departments asked to only increase contractual service lines including union contract obligations
- Non-Union COLA (2%)
- Governor's State Aid Level Funded - Plus Kindergarten

# BUDGET HIGHLIGHTS

- \$144.5M Budget

Expenditures	FY21	FY21	FY22	FY21 Pandemic Revised Budget vs. FY22 Minimum Level Service Budget	FY21 Orig. Budget vs. FY22 Minimum Level Service Budget
	Original Budget	Pandemic Revised Budget	Minimum Level Service Budget	Variance %	Variance %
Town Operating	\$ 42,202,023	\$ 40,872,788	\$ 43,545,195	6.5%	3.2%
School Operating	\$ 63,989,797	\$ 61,485,641	\$ 67,573,989	9.9%	5.6%
Fixed Costs	\$ 31,591,470	\$ 28,999,192	\$ 31,393,615	8.3%	-0.6%
Capital Budget	\$ 1,475,268	\$ 950,268	\$ 2,012,150	111.7%	36.4%
<b>Subtotals</b>	<b>\$ 139,258,558</b>	<b>\$ 132,307,889</b>	<b>\$ 144,524,949</b>	<b>9.2%</b>	<b>3.8%</b>

***FY22 Increases 3.8% beyond FY21 Original Budget***

# TOWN OPERATING

## \$43.5M

- Minimum Level Service Budget
  - Critical Positions Added
    - COA Social Worker
    - Procurement Manager
    - Systems Manager
- Reinstate FY21 Reductions (Detail to Follow)
- Tree Budget Increased
- Honor All Town Contractual Obligations
- Non-Union 2% COLA
- Facilities Budget 2% Placeholder (Cleaning Contract)

# FY22 BUDGET ITEMS REINSTATED

ITEM	AMOUNT	NOTES
Department Outlay	\$ 450,000	Facilities; Police; Fire; DPW; Library
Roads	\$1.7M	FY21 Reduction
Department Overtime	\$187,000	Town Clerk; Comm Dev.; DPW; Facilities; Health; COA; Police; Fire
Discretionary Capital	\$525,000	Additional \$500,000 Minimum Level Service
Library Reductions	\$60,559	
OPEB	\$450,000	FY21 Contribution \$50,000
Schools SPED	\$1M	Funds Out of District Tuition

# TOWN DEPARTMENT OPERATING FY22 BUDGETS

	<u>FY21 Original</u> <u>Budget</u>	<u>FY21 Pandemic</u> <u>Revised Budget</u>	<u>FY22</u> <u>Budget</u>	<b>Var. Pandemic Revised Budget vs. FY22 Budget</b>  %	<b>Var. Orig. Budget vs. FY22 Budget</b>  %
General Gov't	\$4.7M	\$4.7M	\$4.9M	4.3%	4.3%
Public Safety	\$13.6M	\$13.2M	\$13.5M	2.3%	-0.7%
DPW	\$8.3M	\$7.8M	\$8.6M	10.3%	3.6%
Facilities	\$4.8M	\$4.7M	\$4.9M	4.3%	2.1%
Community Development	\$1.1M	\$1.1M	\$1.1M	0.0%	0.0%
Library	\$2.2M	\$2.2M	\$2.3M	4.5%	4.5%
Board of Health & COA	\$0.9M	\$0.9M	\$1.1M	22.2%	22.2%
Health Insurance	\$5.3M	\$5.1M	\$5.4M	5.9%	1.9%
Pension	\$8.8M	\$8.7M	\$10.1M	16.1%	14.8%
OPEB	\$0.6M	0.05M	\$0.5M	900.0%	-16.7%

# FIXED COSTS BREAKDOWN

## \$31.4M

### TOWN

### SCHOOL

Fixed Costs

Total State Charges	\$	1,834,112
Total Pavement and Management		1,812,460
Total Sidewalks		231,801
Total Debt & Interest		2,747,213
Total Retirement		7,652,908
Total Assessors Overlay		840,000
<b>Total Fixed Costs</b>	<b>\$</b>	<b>15,118,494</b>

Fixed Costs

Total Minuteman	\$	1,764,269
Total State Charges		89,389
Total Debt & Interest		11,976,018
Total Retirement		2,445,445
<b>Total Fixed Costs</b>	<b>\$</b>	<b>16,275,121</b>

# NON - EXCLUDED DEBT SERVICE

FY16:	\$	624,029
FY17:	\$	1,031,414
FY18:	\$	932,037
FY19:	\$	1,246,401
FY20:	\$	1,587,096
FY21:	\$	1,747,738
FY22:	\$	1,531,239

# EXCLUDED DEBT SERVICE

[LONG TERM DEBT]

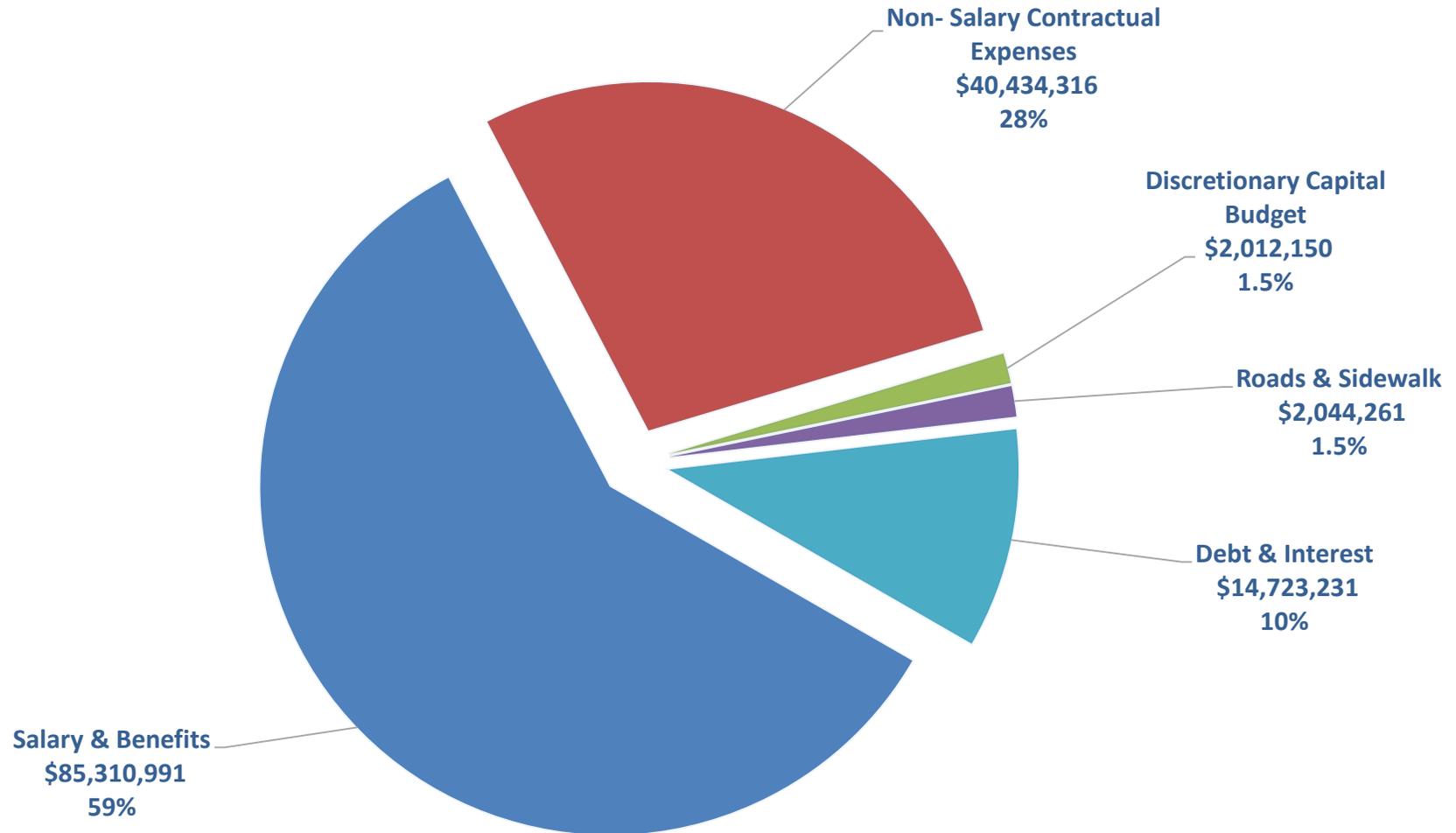
FY16:	\$	3,776,890
FY17:	\$	3,659,118
FY18:	\$	3,582,726
FY19:	\$	3,491,000
FY20:	\$	8,762,711
FY21:	\$	13,812,473
FY22:	\$	13,191,991

# DISCRETIONARY CAPITAL

## \$2.0M

- Minimum Level Service Budget  
Increase of \$500,000

# BUDGET EXPENDITURE SUMMARY



# 5 FISCAL YEAR EXPENDITURE COMPARISON

	<u>FY17</u>	<u>FY22</u>	<u>FY17-FY22</u> <u>CAGR</u>
Belmont Schools:	\$50.1M	\$66.3M	5.8%
Minuteman Tech:	\$796K	\$1.7M	16.3%
Debt Service:	\$4.7M	\$14.7M	25.6%
General Gov't:	\$4.5M	\$4.9M	1.7%
Public Safety:	\$13.3M	\$13.5M	0.3%
DPW:	\$7.7M	\$8.6M	2.2%
Facilities:	\$4.3M	\$4.9M	2.6%
Community Development:	\$1.0M	\$1.1M	1.9%
Library:	\$2.1M	\$2.3M	1.8%
Health & COA	\$990K	\$1.1M	1.9%
Health Insurance:	\$4.3M	\$5.9M	6.5%
Pension:	\$6.9M	\$10.1M	7.9%
OPEB:	\$0.3M	\$0.5M	10.8%

# REVENUE SUMMARY

## \$144.5M TOTAL GENERAL FUND OPERATING BUDGET

		<b>% of Total Budget</b>
Property Tax:	\$ 111.4M	77.0%
State Aid:	\$ 13.4M	9.0%
Local Receipts:	\$ 8.5M	6.0%
*Available Funds:	<u>\$ 3.1M</u>	<u>2.0%</u>
<b>TOTAL</b>	<b>\$ 136.4M</b>	<b>94.0%</b>
<b>Deficit</b>	<b>\$ 8.1M</b>	<b>6.0%</b>

\*Available Funds: receipts reserved parking meters; Free Cash; Overlay; Belmont Electric Light PILOT; Water and Sewer Indirect Costs; Capital Turn backs; Capital Endowment Fund

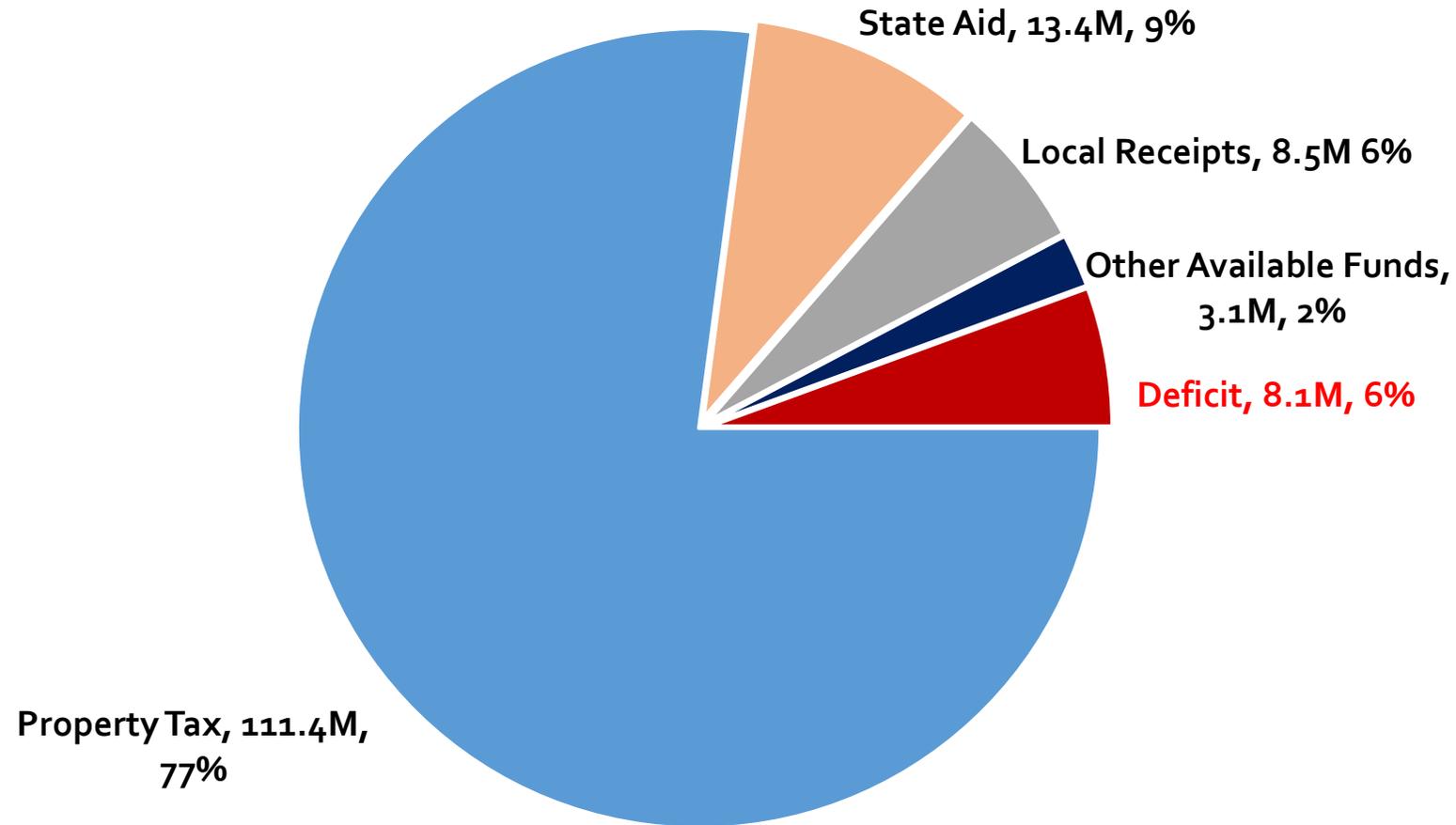
# STATE AID AND CHAPTER 70

	FY 21	FY 22	\$ change	% Change
School Aid Chapter 70	9,755,929	10,998,128	1,242,199	12.7%
Charter School Reimbursement	2,368	2,368	0	0.0%
General Municipal Aid	2,397,629	2,397,629	0	0.0%
Veterans' Benefits	23,396	23,396	0	0.0%
Tax Programs (veterans, blind, surviving spouse)	32,194	32,194	0	0.0%
<b>Total State Aid</b>	<b>12,211,516</b>	<b>13,453,715</b>	<b>1,242,199</b>	<b>10.2%</b>

# CERTIFIED FREE CASH



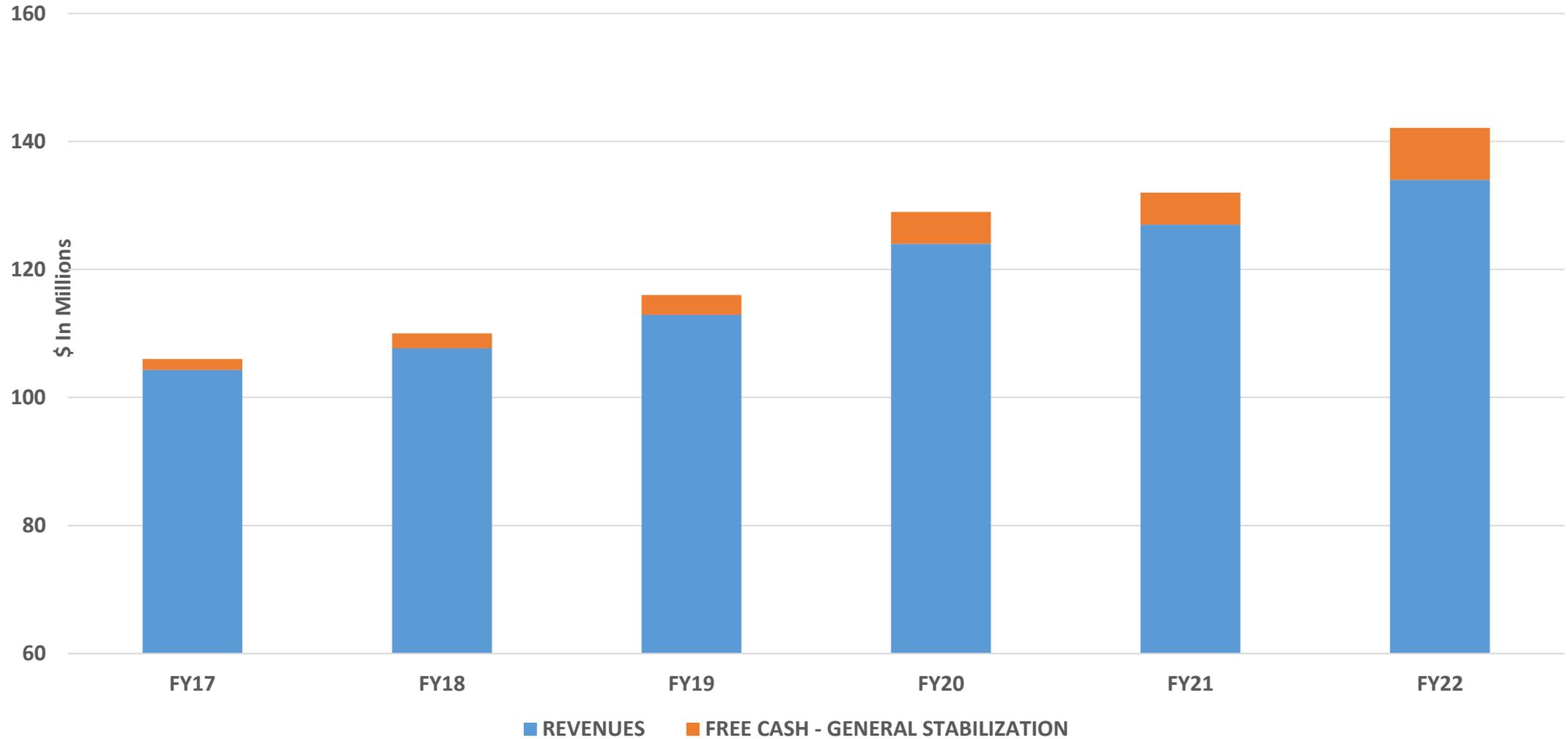
# REVENUE SUMMARY



# STRUCTURAL DEFICIT

- Limits with Proposition 2 ½
- Increasing Fixed Costs
- Use of One-Time Funds to Balance FY22 Budget

# STRUCTURAL DEFICIT



# NEXT STEPS

- Financial Task Force II
  - \$8.1M Structural Deficit
  - Free Cash Strategy to Minimize Override Request
  - Recommended Override April 2021
  - Impact to Services without an Override
- Seek Additional Grant Opportunities
- Structural Reform Committee Identifies Efficiencies
- Collective Bargaining Contracts

\*Budget Public Forum December 9th

# QUESTIONS?